

July 2003



# North Dakota REV-E-NEWS

**From Pam Sharp, Director  
Office of Management and Budget  
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June 2003 marked the end of the 2001-03 biennium. Revenues for the biennium totaled \$1,669,878,240. Agency turnback numbers have not yet been finalized. The total amount of agency turnback will become part of the beginning balance for the 2003-05 biennium.

Revenue collections in the 2001-03 biennium exceeded those of the 1999-01 biennium by \$75 million. When transfers to the general fund are excluded from both biennia, tax revenue collections in the 2001-03 exceeded those of the 1999-01 biennium by approximately \$24 million.

Comments or Questions???

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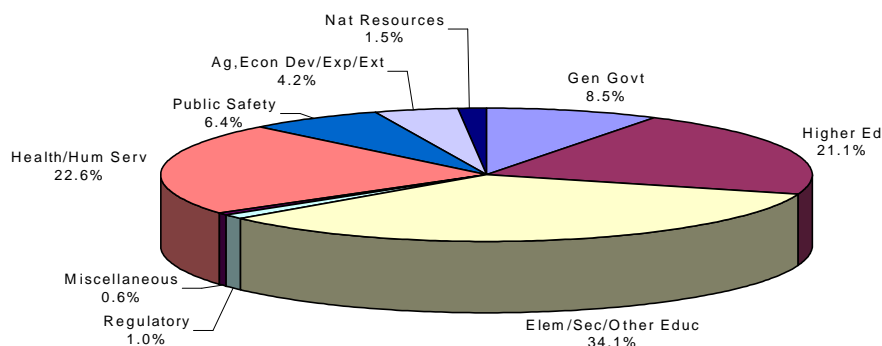
## Transfer to the General Fund

The Bank of North Dakota transferred \$33,699,787 to the general fund in June 2003. This includes the last \$15 million installment towards the regular \$60 million transfer for the biennium. Also included in that amount is a transfer of \$18,699,787. The 2001 Legislative Assembly authorized a transfer of up to \$25 million to the general fund in the event of a revenue shortfall during the 2001-03 biennium. Only \$18.7 million of this amount was required.

The State Mill and Elevator transferred \$6 million to the general fund in June. This transfer represents the Mill's entire obligation for the 2001-03 biennium.

The developmental disability loan fund transferred \$2,004,257 to the general fund in June, and the Land Department transferred \$3,545,102 to the general fund from the land and minerals trust fund.

## 2001-03 Biennium General Fund Expenditures \$1.7 Billion



**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**Compared to March 2003 Legislative Forecast**  
**2001-03 BIENNIUM**  
**June 2003**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	March 2003 Forecast	Actual	Variance	Percent	March 2003 Forecast	Actual	Variance	Percent
Sales Tax	31,720,661	33,418,312	1,697,651	5.4%	643,668,333	640,618,363	(3,049,970)	-0.5%
Motor Vehicle Excise Tax	4,786,607	5,369,510	582,903	12.2%	119,742,675	119,592,232	(150,443)	-0.1%
Individual Income Tax	8,200,056	8,794,473	594,417	7.2%	396,136,091	396,153,000	16,909	0.0%
Corporate Income Tax	6,023,511	8,640,157	2,616,646	43.4%	86,864,297	88,417,166	1,552,869	1.8%
Insurance Premium Tax	1,204,583	2,272,298	1,067,715	88.6%	49,752,204	48,990,027	(762,177)	-1.5%
Financial Institutions Tax	10,000	40,646	30,646	306.5%	5,200,000	6,257,389	1,057,389	20.3%
Oil & Gas Production Tax			-		39,159,000	39,159,000	-	0.0%
Gaming Tax	329,907	664,435	334,528	101.4%	27,474,000	27,612,652	138,652	0.5%
Interest Income	1,739,263	1,813,826	74,563	4.3%	8,796,000	8,509,483	(286,517)	-3.3%
Oil Extraction Tax			-		22,841,000	22,841,000	-	0.0%
Cigarette & Tobacco Tax	1,416,143	1,705,283	289,140	20.4%	39,435,582	39,313,360	(122,222)	-0.3%
Departmental Collections	1,975,766	1,570,956	(404,810)	-20.5%	57,487,180	57,506,019	18,839	0.0%
Wholesale Liquor Tax	499,348	491,416	(7,932)	-1.6%	11,131,782	11,155,834	24,052	0.2%
Coal Conversion Tax	2,059,708	1,884,803	(174,905)	-8.5%	46,779,501	46,878,511	99,010	0.2%
Mineral Leasing Fees	(78,668)	(145,225)	(66,557)	84.6%	6,225,800	6,440,513	214,713	3.4%
Bank of North Dakota-Transfer	15,000,000	15,000,000		0.0%	60,000,000	60,000,000		0.0%
Contingent Bank of ND Transfer	17,457,922	18,699,787	1,241,865	7.1%	17,457,922	18,699,787	1,241,865	7.1%
State Mill & Elevator-Transfer	6,000,000	6,000,000		0.0%	6,000,000	6,000,000		0.0%
Gas Tax Admin-Transfer					1,363,392	1,363,392	-	0.0%
Other Transfers	5,545,102	5,550,994	5,892	0.1%	24,363,481	24,370,511	7,030	0.0%
<b>Total Revenues and Transfers</b>	<b>103,889,909</b>	<b>111,771,673</b>	<b>7,881,764</b>	<b>7.6%</b>	<b>1,669,878,240</b>	<b>1,669,878,240</b>	<b>0</b>	<b>0.0%</b>

\* Oil and gas production and oil extraction tax collections totaled \$3,001,896 in June. Because the \$62 million statutory cap for the 2001-03 biennium has been attained, all of the June collections will go to the Permanent Oil Tax Trust fund. That amount plus \$4,563,329 from April and May collections will go into the Permanent Oil Trust Fund and will be deposited into the general fund in July 2003 accordance with HB 2015.

**COMPARISON TO PREVIOUS BIENNIUM REVENUES**  
**2001-03 BIENNIUM**  
**June 2003**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	June 2001	June 2003	Variance	Percent	1999-01	2001-03	Variance	Percent
Sales Tax	29,920,930	33,418,312	3,497,383	11.7%	613,066,466	640,618,364	27,551,897	4.5%
Motor Vehicle Excise Tax	5,646,948	5,369,510	(277,438)	-4.9%	109,115,230	119,592,231	10,477,002	9.6%
Individual Income Tax	11,001,880	8,794,473	(2,207,407)	-20.1%	409,331,437	396,153,000	(13,178,436)	-3.2%
Corporate Income Tax	13,628,996	8,640,157	(4,988,839)	-36.6%	99,134,855	88,417,167	(10,717,688)	-10.8%
Insurance Premium Tax	1,069,175	2,272,298	1,203,123	112.5%	39,113,433	48,990,027	9,876,594	25.3%
Financial Insitutions Tax	29,122	40,646	11,524	39.6%	5,464,955	6,257,390	792,435	14.5%
Oil & Gas Production Tax*					38,433,365	39,159,000	725,635	1.9%
Gaming Tax	873,179	664,435	(208,744)	-23.9%	27,437,507	27,612,652	175,146	0.6%
Interest Income	3,223,790	1,813,826	(1,409,964)	-43.7%	20,832,123	8,509,483	(12,322,640)	-59.2%
Oil Extraction Tax*					23,566,635	22,841,000	(725,635)	-3.1%
Cigarette & Tobacco Tax	1,739,478	1,705,283	(34,196)	-2.0%	41,706,350	39,313,360	(2,392,991)	-5.7%
Departmental Collections	1,857,344	1,570,956	(286,387)	-15.4%	40,816,171	57,506,019	16,689,848	40.9%
Wholesale Liquor Tax	497,938	491,416	(6,522)	-1.3%	10,321,999	11,155,834	833,835	8.1%
Coal Severance Tax	846,527	-	(846,527)	-100.0%	22,173,854	775,794	(21,398,060)	-96.5%
Coal Conversion Tax	1,084,539	1,884,803	800,264	73.8%	25,672,170	46,102,717	20,430,547	79.6%
Mineral Leasing Fees	168,529	(145,225)	(313,754)	-186.2%	9,531,698	6,440,514	(3,091,184)	-32.4%
Bank of North Dakota-Transfer	15,000,000	15,000,000		0.0%	50,000,000	60,000,000	10,000,000	20.0%
Contingent Bank of ND Transfer		18,699,787		100.0%		18,699,787		100.0%
State Mill & Elevator-Transfer	3,000,000	6,000,000	3,000,000	100.0%	3,000,000	6,000,000	3,000,000	100.0%
Gas Tax Admin-Transfer					1,380,608	1,363,392	(17,216)	-1.2%
Other Transfers	3,016,305	5,550,994	2,534,688	84.0%	5,159,194	24,370,510	19,211,316	372.4%
<b>Total Revenues and Transfers</b>	<b>92,604,679</b>	<b>111,771,672</b>	<b>19,166,993</b>	<b>20.7%</b>	<b>1,595,258,050</b>	<b>1,669,878,241</b>	<b>55,920,404</b>	<b>3.5%</b>

\* Oil and gas production and oil extraction tax collections totaled \$3,001,896 in June. Because the \$62 million statutory cap for the 2001-03 biennium has been attained, all of the June collections will go to the Permanent Oil Tax Trust fund. That amount plus \$4,563,329 from April and May collections will go into the Permanent Oil Trust Fund and will be deposited into the general fund in July 2003 accordance with HB 2015.

# Revenue Variances

The following comments are based on the June revenue collections compared to the March 2003 revenue forecast.

Sales tax collections exceeded the monthly projection by \$1.7 million or 5.4 percent. The overage reflects a timing difference relative to the month of May. Sales tax collections for the entire biennium were \$3.0 million or 0.5 percent behind projections.

Motor vehicle excise tax collections exceeded monthly projections by \$582,903 or 12.2 percent. Biennium-to-date collections fell short of the biennial forecast by \$150,443 or 0.1 percent.

Individual income tax collections exceeded the monthly forecast by \$594,417 or 7.2 percent while individual income tax collections for the entire biennium exceeded projections by \$16,909.

Corporate income tax collections for the month of June were \$2.6 million ahead of projections. Biennium-to-date collections were \$1.6 million or 1.8 percent ahead of projections.

In March 2003, contingent transfers from the Bank of North Dakota were estimated to be \$17.5 million. Based on the level of general fund revenue collections through June 30, 2003, the amount required for transfer was \$18.7 million.

## Transfer to the Permanent Oil Tax Trust Fund

A transfer was made to the permanent oil tax trust fund in the amount of \$7,565,225, which is the amount collected in excess of \$62 million during the 2001-03 biennium. The amount transferred is nearly \$1 million more than was projected in March 2003.

Actual monthly collections for oil and gas production tax and oil extraction taxes amounted to \$3 million in June. However, this report reflects no collections because total oil tax collections exceeded \$62 million.

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